

BENJAMIN J. CAYETANO
GOVERNOR

DIRECTOR'S OFFICE
DEPT. OF
TRANSPORTATION
Nov. 9 9 27 AM '95



Dept. of Transportation (2)

45-44
revised
this policy

Deputy Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES

P. O. BOX 119
HONOLULU, HAWAII 96810-0119

November 8, 1995

COMPTROLLER'S MEMORANDUM NO. 1995-35

TO: All Departments Heads
ATTN.: Payroll/Personnel Offices
SUBJECT: Enforcement of Payroll Payment Policy

This memorandum is to remind all departments that it is the State's policy to pay its employees as promptly as possible for compensation earned. The Accounting Manual, Volume III, Section 140(2)(b), provides that Regularly Employed Employees are to be paid:

"...no later than the end of the payroll period in which the compensation was earned for those regularly employed employees who are paid a recurring amount each payroll period and whose accumulation pattern for vacation and sick leave credits is sufficiently stable to cover unanticipated absences within the payroll period."

Our before-the-fact payroll system is based on the premise that payrolls can be safely predicted without the risk of overpayment or the need for ongoing adjustments. It has come to our attention that situations have resulted in employees being overpaid since leave requests are not submitted and processed in a timely fashion or an employee's accumulation pattern is not sufficiently stable to cover unanticipated absences within the payroll period.

Supervisors are reminded of their responsibility to require the completion and submittal of all Form G-1s to allow for timely updating of employee's leave records. They should ensure that employees who do not report to work due to vacation, sickness, or other reasons timely submit their Form G-1s in accordance with applicable collective bargaining contracts or rules.

NOV 16 1995

Hds. of Depts.
Memo No. 1995-35
Pg. 2

To minimize risk of overpayment and the need for on-going adjustments, departments should give those employees who have not maintained a sufficiently stable balance of vacation and sick leave credits reasonable notice (i.e. 30 days) and then place them on after-the fact payroll until such time the employee has accumulated and maintained an adequate balance. As a guideline, an adequate accrued balance would be a combined balance of vacation and sick leave hours equal to eighty hours earned.

Questions should be directed to Sheila K. Walters of the Pre-Audit Branch at 586-0650. Implementation of this memorandum should be no later than December 1, 1995.


SAM CALLEJO
State Comptroller